

LOCAL PUBLIC GOODS AND CITIZEN SATISFACTION: A CASE STUDY OF KUBANG PASU DISTRICT, KEDAH, MALAYSIA

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ABSTRACT

Local governments play a crucial role in facilitating the economic activities and developments of a region. As instrument of national development, they are seen to be more responsive to local environments and are capable of directly influencing the regional and urban development. As stated in the vision and mission statements of local governments in Malaysia, the welfare of the local society is made as a prime target. Local population sees the role of the local governments as their front liner in delivering local public goods. However, the question that ensues is to what extent this role has been executed efficiently and effectively and to what extent local citizens are satisfied with the provision of public goods. Although government professionals are uniquely qualified to assess service quality, citizen perspectives or what citizens want from local government with respect to the provision of local public goods, is imperative in optimizing the service quality and delivery. Thus, the objective of this study is to explore the relationship between the provision of local public goods and the extent of citizen satisfaction with local public goods provided by local governments in Malaysia. Kubang Pasu district in the state of Kedah, Malaysia was chosen as a case study. The primary data are gathered using a survey instrument. The results of the study give indication on the performance of service delivery by local governments in Kedah. The main findings give new information regarding the level of citizen satisfaction in term of the structure of local public finance.

Keywords: Local Public Goods, Citizen Satisfaction, Local Governments.

1. Introduction

In the age of rapid urbanisation and globalisation, the role of local governments in Malaysia in managing local development is becoming even more important. As instruments of national development, the ability of local authorities to manage change, deliver their functions efficiently and assumed a more developmental role effectively is imperative for local governments to excel in the new millennium.

At local level, local governments as one of the levels of government played a crucial role in providing public goods and services that are specific to the localities. In Malaysia, the local governments are categorized into three groups, namely, city council for city centres, municipality for large towns and district council for small urban centres. At present, there are a total of ninety- nine local governments in Peninsular Malaysia comprising of eight city councils, thirty-four municipal councils and fifty-seven district councils. They are formed and regulated by the respective state legislation and subordinate to the respective state governments. The Local Government Act of 1976 provides local authorities in Malaysia with a very comprehensive set of functions and responsibilities.

The major function of the local governments is to provide public goods and services that are specific to the localities. Local public services that are undertaken by them on behalf of the respective state governments include both mandatory and discretionary functions. The mandatory functions include all critical functions such as refuse collection, maintenance of minor drainage, sewerage treatment, road maintenance, street lighting and activities pertaining to public health. Discretionary functions include all development function such as providing amenities, recreational parks, housing and commercial activities, markets, sports facilities and community centres. The sources of revenue for local governments mainly come from the federal grant and also from state specific grants that include road maintenance grant, economic development grant and property tax.

As stated in the vision and mission statements of local governments in Malaysia, the welfare of the local society is made as a prime target. The urge towards having a better and more conducive environment and thus uplifts the quality of life of local citizens is an important agenda of local development. Essentially, local governments have involved in numerous decision makings with regards to the provision of local public goods and services. It is important that the provision of local public goods and services not only be done efficiently, but also it should give opportunity to local citizens to participate in the decision making process. Besides, local population sees the role of the local governments as their front liner in delivering local public goods and services. However, the question that ensues is to what extent this role has been executed efficiently and effectively and to what extent local citizens are satisfied with the provision of public goods and services.

Recently the Housing and Local Government Ministry of Malaysia has announced a new approach to start assessing all one hundred and forty-four local authorities in the country and rate them. Those with excellent services will get five stars and those with the lowest points will get one star. Although government professionals are uniquely qualified to assess service quality, citizens' perspectives or what citizens want from the local authorities with respect to the provision of local public goods and services, is imperative in optimizing the service quality and delivery. Thus, the purpose of this paper is to explore the relationship between the provision of local public goods and services and the extent of citizen satisfaction with the local public goods and services provided by local authorities in Malaysia. The district of Kubang Pasu in the state of Kedah Darul Aman, Malaysia was chosen as a case study.

2. Literature Review

In recent years local governments in Malaysia have been subjected to considerable criticisms. The dissatisfactions are measured as number of complaints recorded by the local authorities. According to a recent study, Fatimah Wati Ibrahim (2004) reported that the average complaints recorded for city/municipal councils are 1,446 per year. The demand for both fast as well as correct actions is one of many characteristics of knowledge society. The findings of the study show that most dissatisfactions and complaints received are much greater in a big city like Penang, Ipoh, Klang Valley and Johore Bharu where the marginal propensity to pay for a better service is perceived to be higher than the rest of other parts in the country. Furthermore, city dwellers whom the surroundings and exposures made them more likely to report most of the complaints. There are also believed to be cases of dissatisfactions due to poor services of the local authorities but left unrecorded especially among dwellers of some areas of the country of whom proper recorded complaints has never been

their culture. In fact the challenge that stays ahead, not only faced by the city/ municipal councils alone but also the local governments at large in meeting the needs of today society for better and more efficient way of service delivery.

With regards to the efficiency of local governments, Fatimah Wati Ibrahim and Faisol (2006) have reported that the efficiency level varies among local governments in Malaysia. Their studies were based on the frontier estimation of the translog cost function. The study had focused mainly on measuring the performance of the local government vis-à-vis cost efficiency. It was reported that the average level of cost inefficiency of local governments in Peninsular Malaysia is 0.59. In other words, on average the observed cost of the local government is 59 per cent more inefficient than the best practice cost. The inefficiency was the results of excessive usage of inputs. It is interesting to note that their study also found that the inefficiency scores of the municipality councils are higher than the district councils. The paper also has suggested for the local governments to put a high priority to improve their efficiency.

Local governments need to understand the mechanism by which local taxes and expenditure affect the regional development. There have been several studies that examined the relationship between local spending, taxes and regional developments. Sung Tai Kim (1997) examined the role of local public sector in regional economic growth in Korea. The findings of the study show that local taxes and non-tax revenues have a significant negative effect on regional economic growth while local government investment and consumption have a significant and greater positive effect. In terms of net effect, the local public sector explained 14.5 per cent of regional economic growth. As implied from the study, the contribution of Korea's local governments to economic growth has been very significant, thus, the author suggested that the role of local governments in Korea must be enhanced.

Ian Preston and Michael Ridge (1995) utilized the British Social Attitudes Survey (BSAS) in their study of the demand for local public spending. The British Social Attitudes Survey is a UK-wide survey that provides a rich source of information on individual attitudes to a variety of topics including locally provided service. In this paper the authors seek to model answers to questions on attitudes to local authority spending which invite the expression of a private demand for local public spending. A convincing picture has emerged of locally provided public goods as imperfectly congested public goods, with a price elastic and probably income inelastic demand. They also find support for the view that central government grants may induce voter confusion over tax prices of public services.

There are many ways citizens can participate in local decision making. Advocates of citizen surveys assert that the idea of surveying citizens is not contrary to representative democracy where elected representatives bring citizens into the decision-making process. The assumption behind citizen satisfaction surveying is that citizens can evaluate service quality even if they have had no direct contact with the service provider. In a recent study, Swindell and Kelly (2000) explore the linkages between citizen satisfaction data and performance measures. They analyzed citizen ratings of performance quality on seven categories of local government service delivery (police service, fire and emergency medical services, road maintenance, refuse services, street lighting, parks and recreation services, and libraries) in 13 local governments. Despite some problems exist with both performance measurement and citizen satisfaction survey, their findings suggest that citizen satisfaction survey remain the primary tools of service quality evaluation at local level

Measuring users' satisfaction with public goods and services is at the heart of a citizen-centric approach to service delivery and an important component of organizational performance strategies for continual improvement. Perception data are commonly used to evaluate citizens' experiences with government organizations and obtain their views on the

outputs received. Such information can help public managers identify which elements of service delivery drive satisfaction, as well as monitor the impact of reforms on end-users. Measuring citizen satisfaction is also a means of allowing policy makers and managers to better understand their customer base, helping to identify sub-groups of users and needs or gaps in accessibility. Moreover, citizen satisfaction can be an important outcome indicator of overall government performance.

In efforts to improve the responsiveness and quality of public services, more and more government organizations are proactively seeking and acting on feedback from citizens about their experiences. Canada's "common measurement tool" and Italy and France's "quality barometers", for example, are designed to allow different government organizations to measure and track service quality over time, and incorporate perception data from citizens. In general across OECD member countries, public services are highly valued by the majority of citizens. In 2012, for instance, 72% of citizens on average across OECD member countries reported having confidence in their local police force. Almost the same percentage considered themselves satisfied with the availability of quality health care, and 66% were satisfied with the education system and schools in their city or areas (OECD, 2013).

A study by Rivenbark and Ballard (2012) presents a case to show how local officials used survey data on the specific service dimension of customer service to drive organizational change. More specifically, it presents how a local government responded when citizens were satisfied with overall service quality but dissatisfied with their interactions with local government employees. Safiek Mokhlis et al. (2011), examine the quality of municipal services provided by local government in southern Thailand. They used SERVQUAL instrument to measure citizen perceptions of municipal service quality. The study had identified five quality dimensions that determine citizen satisfaction. The findings indicate that four service quality dimensions, namely tangibility, empathy, assurance and responsiveness significantly predicted citizen satisfaction.

A study by Eboli and Mazzulla (2009) provide a tool for measuring the overall transit service quality, taking into account user judgments about different service aspects. The authors proposed an index based on customer perspective for evaluating transit service quality. The index allows service quality to be monitored, the causes generating customer satisfaction/dissatisfaction to be identified, and the strategies for improving the service quality to be defined. Kwon and Gorman (2014) study examines whether internal and environmental factors play a role in how local governments approach the use of performance measures in conjunction with economic development activities. The study provides an analysis of the intricate relationship between performance measures and local government's capacity for economic development.

3. Methodology

3.1. Data

The state of Kedah Darul Aman has a total of eleven local governments comprising of 1 city council, 3 municipal councils and 7 district councils. For the purpose of this study, the cluster sampling technique is used to select the municipalities in the Kedah state. The chosen district was the district of Kubang Pasu. Then, a random sample of 150 residential households living in this jurisdiction was chosen as respondents.

The primary data are collected using a survey instrument. To obtain a better understanding of what the citizens want from local council, citizen satisfaction survey was utilized as an instrument to measure citizen satisfaction. Survey of citizen satisfaction is an important technique to obtain the feedback from the public regarding the provision of public goods and services by local authorities. The information on local public goods and services provided by Kubang Pasu District Council that were collected include information on public facilities such as public toilets, parks and recreation, sports facilities and community centres; refuse collection; and looking after the local environment. The survey was conducted from 1 June to 30 June, 2013. The questionnaires were distributed to all selected respondents throughout the district of Kubang Pasu. The respondents were given specific period to complete the form and return the completed questionnaire to the researcher.

3.2 Measuring Citizen Satisfaction

The methodology adopted in measuring citizen satisfaction is based on Customer Satisfaction Index (CSI). CSI represents a measure of service quality on the basis of the user/consumer perceptions on service aspects expressed in terms of importance rates, compared with user/consumer expectations expressed in terms of satisfaction rates.

CSI is calculated by means of the satisfaction rates expressed by users, weighted on the basis of the importance rates, according to the following formula:

$$CSI_i = \sum_{i=1}^j (\bar{s}_i \cdot w_i) \quad (1)$$

in which

\bar{s}_i is the mean of the satisfaction rates expressed by users on the service quality i attribute

w_i (importance weight) is a weight of the i attribute, calculated on the basis of the importance rates expressed by users. Specifically, is the ratio between the mean of the importance rates expressed by users on the i attribute and the sum of the average importance rates of all the service quality attributes: $w_i = \frac{\bar{I}_i}{\sum_{i=1}^j \bar{I}_i}$

CSI represents a good measure of overall satisfaction because it summarizes the judgments expressed by local citizens about various service attributes in a single score.

4. Analysis of Results and Discussion

4.1. Profile of the Respondents

Statistical analysis was carried out based on the questionnaire responses. The response rate for this citizen satisfaction survey is 70 percent. As seen in Table 1 below, although the population is evenly spread between male and female, male respondents constitute 79 percent of the total respondent. Most of the respondents are in the age range of 35-44 years (56%) and age range of 45-54 years (18%). Majority of the respondents are married (82%) and respondents that are single constitute 18 percent. In term of educational level, majority of the respondents have STPM or less level of education, which is 43 respondents or 41 percent. However, more than half of the respondents have higher level of

education. Those with PhD degree constitute 32 percent, master and bachelor degree level accounted for 18 percent and 6 percent, respectively. About 55 percent of the sample belongs to a lower-middle class of family income and about 35 percent to a middle-upper class of family. A total of 11 respondent or 10 percent received monthly family income of RM3000 or less. In terms of ethnic group, the majority of the respondents are Malay (76%). Chinese and Indians constitute 15 percent and 9 percent, respectively.

The majority of the employed respondents their workplace is located within the district of Kubang Pasu itself (78%). Only about 22 percent of the total respondent, their workplace are in other different communities. Most of the respondents have living in the area of district of Kubang Pasu community for more than ten years (47%). Meanwhile, 23 percent of the respondents living in the district of Kubang Pasu between one to five years, and 18 percent of the respondents living in the area between six to ten years. In terms of house ownership, most of the respondents owned a house (82%). The percentage of respondents that rent or lease a house is 18 percent of the whole sample.

Table 1: Socio-Economic Characteristics of the Respondents

		Percentage
Gender	Male	79
	Female	21
Age group	18-24	6
	25-34	14
	35-44	56
	45-54	18
	55-64	6
	65 or older	0
Marital status	Single	18
	Married	82
	Widowed/divorced	0
Educational level	STPM or less	41
	Diploma	3
	Bachelor	6
	Master	18
	PhD	32
Family income level	RM3000 or less	10
	RM3001 to RM10,000	55
	RM10,001 to RM20,000	35
	Over RM20,000	0

Ethnic	Malay	76
	Chinese	15
	Indian	9
	Others	0
Location of workplace	In the Community	78
	In a Different Community	22
	Unemployed	0
	Retired	0
Length of years living in the community	One year or less	12
	1-5 years	23
	6-10 years	18
	More than 10 years	47
Ownership of house	Own house	82
	Rent/lease	18

Source: Survey questionnaire

4.2. Analysis of Citizen Satisfaction Survey for Kubang Pasu District

The citizen satisfaction survey was conducted in June of 2013. The survey focuses on twenty-three broad areas of local public goods and services that were provided by local authority of the Kubang Pasu district. The results of the citizen satisfaction survey are shown in Table 2.

In general, the survey results show that the residents of Kubang Pasu district are moderately satisfied with the delivery of public goods and services by local authority. The score for the standard CSI index is 5.33. The two areas residents expressed a strong level of satisfaction with the services they received from Kubang Pasu District Council are local library and looking after the local environment. The satisfaction score recorded were 5.94 and 5.39, respectively. With respect to the local library, the attributes with an average satisfaction score higher than 5.7 were the locations, the conveniences of library hours of service; staffs responsiveness to one's concern; and the availability of computers for public use. However, the adequacy of resources to meet local citizen needs recorded a moderate satisfaction score, that is, 5.68. The services that were provided for looking after the local environment includes keeping roads clear of litter; provide public conveniences; environmental health; and garbage collection. In terms of performance, survey results indicate that the district of Kubang Pasu has achieved a good progress in these two areas of service delivery.

The residents of Kubang Pasu give a high rating in terms of the economic health of the community. The satisfaction score recorded was 6.3. They perceived that the economic conditions of Kubang Pasu district are moderately strong and the economy has a remarkable growth. Searching for a good job is not hard to find since the jobs are readily available in this district. In terms of affordability of housing, the satisfaction score for this attribute was 6.06.

When asked the respondents to rate the property taxes, they expressed a moderate to high level of satisfaction with the imposition of local tax, that is, the satisfaction score for this factor was 6.15. The residents of Kubang Pasu perceived that the property tax appraisals is been done fairly and that the Kubang Pasu local authority has provided adequate period to

pay taxes. They give positive remarks with regard to the amount and quality of services they received for the local taxes they paid.

When asked about how strongly they felt about their communities, the respondents expressed a quite high level of satisfaction, that is, recorded a satisfaction score of 6.13. Residents rated Kubang Pasu district highly as a safe place to live and a great place to live. The satisfaction score for the district of Kubang Pasu as a safe place to live; and a great place to live was 6.47 and 6.32, respectively.

Other areas that respondents give moderate marks are local law enforcement; community events; and management of local council. The satisfaction score recorded were 5.52, 5.29 and 5.24, respectively. The attributes with respect to local law enforcement were rated moderately by the respondents. The residents of Kubang Pasu district perceived that the law enforcement in Kubang Pasu district is fair. The enforcement officers had always treat the citizens with respect and give quick response to any complains reported. They also rated moderately for community events, where the community was quite happy with the range of community event offerings and a variety of festivals being organized by Kubang Pasu District local authority. With respect to management of local council, basically residents were quite satisfied with the management of local council. They expressed favorable opinions when asked about the trustworthy of leaders in local government. They perceived that the local council is quite well-managed and employees

**Table 2: Citizen Satisfaction Index (CSI) for Local Public Goods and Services Provided by Local Government
(Kubang Pasu District)**

Factor	Local Public Goods and services	Importance Score	Importance Weight	Satisfaction Score	CSI Factor	Weighted Score	Performance
1	Looking after the local environment	7.72	0.059	5.390	5.48	0.32	0.15
2	The transportation infrastructure in your community	5.86	0.044	3.779	3.78	0.17	-1.55
3	Utility Services	5.21	0.040	5.21	5.21	0.21	-0.12
4	Your Local Council Dealing with the Public	6.29	0.048	4.640	4.64	0.22	-0.69
5	Local Law Enforcement	6.11	0.046	5.520	5.53	0.26	0.2
6	Local Property Taxes	6.06	0.046	6.147	6.16	0.28	0.83
7	Management of Local Council	6.16	0.047	5.235	5.26	0.24	-0.07
8	Community Events	6.79	0.051	5.294	5.30	0.27	-0.03

9	The Economic Health of Your Community	5.94	0.045	6.304	6.31	0.28	0.98
10	The Diversity of the People Who Live in Your Community	6.08	0.046	6.245	6.27	0.29	0.94
11	Local Parks and Recreation Facilities and Programs	4.28	0.032	4.461	5.02	0.14	-0.31
12	Local Library	6.12	0.046	5.935	5.94	0.28	0.61
13	Service Value and Quality of Life in Your Community	6.49	0.049	5.488	5.50	0.27	0.17
14	Your Experiences with Your Community	5.68	0.043	5.68	5.68	0.24	0.35
15	Communication and Public Involvement with Your Community	6.49	0.049	4.897	4.90	0.24	-0.43
16	Expectations About Your Community	5.22	0.040	5.018	5.04	0.20	-0.29
17	The Local Council's Website	5.68	0.043	4.890	4.78	0.21	-0.55
18	An Ideal Community	4.74	0.036	4.74	4.74	0.17	-0.59
19	The Likelihood Taking Each Action	6.08	0.046	5.771	5.77	0.27	0.44
20	About Your Community	5.64	0.043	6.134	6.05	0.26	0.72
21	Local Government programmes	4.64	0.035	4.721	4.70	0.17	-0.63
22	How Much Priority the Local Government Should Place on Funding the Service in the Face of Potential Budgetary Shortfalls	4.35	0.033	6.179	6.68	0.20	1.35
23	The Budgetary Actions	4.25	0.032	4.365	4.67	0.14	-0.66

	You Would Support for Each Service						
	Total Score	131.88	Standard CSI Index			5.33	

Source: Author Citizen Satisfaction Survey

working in local council are quite well-trained. With regards to how the local council spent the money, the satisfaction score for this attribute was 5.24.

However, not all services delivered achieved successful performance. Some services did not meet the expectation of the respondents in term of quality of services. Survey results show that at least eight areas of local public goods and services recorded negative performance. These include the transportation infrastructure in the community; how the local council deals with the public; local government programmes; and local parks and recreation facilities and programs. In terms of the transportation infrastructure, the attributes that were rated low by the respondents are road maintenance and sidewalks for bicycle and foot traffic. With regards to how local council deals with the public, questions asked to the respondents are about on how local council handling of complaints and answering of telephone and letters. The local government programmes the Kubang Pasu residents received was street maintenance, tree maintenance and replacement; and community centres. Furthermore, survey results also showed low satisfaction levels for opportunities for citizen participation in local council policy development and decision making; and communicating information to the public about local government issues.

5. Conclusions

In this paper, we examine the role of local governments in providing local public goods and services to the citizens. The study focuses from the citizens' perspective to see how the local people assess the public goods and services provided by local authorities in Malaysia. The district of Kubang Pasu in the state of Kedah Darul Aman, Malaysia was chosen as a case study. To explore the relationship between the provision of local public goods and services and the extent of citizen satisfaction, citizen satisfaction survey was utilized as an instrument to measure citizen satisfaction with respect to the provision of local public goods and services.

The analysis of the study indicates some significant findings. Overall, Kubang Pasu district performed successfully in areas of looking after the local environment and local library. Residents of Kubang Pasu give a high rating in terms of the economic health of the community.

In terms of property tax, the residents of Kubang Pasu perceived that the property tax appraisals is been done fairly. Residents also rated Kubang Pasu district highly as a safe place to live and a great place to live. The results of the study also indicate that there are areas of concern that needs improvement in the provision of local public and services.

These findings imply that although generally residents were satisfied with the performance of the Kubang Pasu District Council, there remains some areas where residents expressed low levels of satisfaction. It is recommended that for those service quality that had been identified as below average level of citizen satisfaction, local council should put efforts to improve the service quality and optimize service delivery in order to enhance the level of citizen satisfaction.

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